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C O N F I D E N T I A L SECTION 01 OF 02 MUSCAT 000789

SIPDIS

E.O. 12958: DECL: 11/18/2018
TAGS: PREL PTER KPAL GCC PK IN IZ MU
SUBJECT: OMAN'S BIN ALAWI DISCUSSES U.S.-GCC SECURITY,
MIDEAST PEACE, PAKISTAN, IRAQ

REF: A. STATE 111596 (NOTAL)

_B. STATE 113956 (NOTAL)

Classified By: Ambassador Gary A. Grappo per 1.4 (B and D.)

11. (C) Summary: In a meeting with the Ambassador November 17, Minister Responsible for Foreign Affairs Yusef bin Alawi reviewed Oman's idea for developing U.S.-GCC security cooperation, which will be presented for discussion at the December GCC summit, his thoughts on Mideast peace, Iraq and the SOFA, and Omani and Indian fears over potential future instability in Pakistan. End Summary.

U.S.-GCC Security on GCC Summit Agenda

- 12. (C) Bin Alawi said that Oman was preparing a paper for discussion at the December GCC summit on U.S.-GCC security cooperation (reftel). Still incomplete, the paper will lay out Omani ideas for strengthening cooperation in areas relating to security between the U.S. and GCC as a whole, as opposed to individual GCC members. Existing bilateral security arrangements between the U.S. and each of the GCC states would not be affected, he said. The paper will address Gulf regional security as well as security challenges throughout the Middle East and South Asia in which the GCC, working with the U.S., might play a constructive role.
- 13. (C) The minister also indicated that Oman might propose a conference focusing on how regional states might respond to extra-regional problems and crises, e.g., Pakistan, Afghanistan, Iran, etc. It would include governments from the Gulf as well as outside governments with an obvious interest, such as the U.S. He emphasized that Oman's intent was to draw the U.S. and GCC states closer together to address the region's security problems. As the paper moved closer to completion, he agreed to share Omani thoughts in greater detail.

Concerns over Pakistan

- 14. (C) One of the reasons behind the Omani idea is growing Omani fears over instability in Pakistan. During the recent visit of Indian Prime Minister Manmohan Singh, the two sides discussed Pakistan and the likelihood of events in Pakistan spiraling out of control. Bin Alawi said that victory by Pakistani forces over factions in the tribal areas was patently "unachievable;" the best the government could hope for was some modus vivendi in which the various tribal factions enjoyed a form of autonomy in exchange for closer security cooperation and a pledge to keep terrorists and other extremists out.
- 15. (C) Pakistan's security challenges are further complicated by lack of confidence in the new and untested president, worries over the ruling party's ability to stay in

control, a looming economic crisis and consequent fear of another army take-over. All of this, he said, was a matter of considerable concern to the Indians, who wondered about a "security vacuum" in parts of Pakistan that extremists would exploit and the attendant potential for greater Muslim-Hindu violence in India itself. "The Indians were very worried about Pakistan," he concluded.

Another Approach to Mideast Peace: &Two States, One System8

- 16. (C) Bin Alawi displayed his now standard pessimism over Israeli-Palestinian peace. "Israeli offers of compromise are too little to be accepted by the Arabs, and the big compromises necessary are too big to be accepted by the Israelis," he lamented. Uncertainty over the upcoming Israeli elections and the expanding gap between the PA/Fatah and Hamas cast a darker shadow over prospects for peace. On the former, he suggested that the recent meeting in Sharm al Sheikh had been done principally to bolster Israeli FM Livni's fortunes in the upcoming election, which was "logical" in view of the stakes for the Palestinians and Arabs.
- 17. (C) Bin Alawi said he had met with Livni briefly in New York and had suggested that she consider an idea of his for Israeli-Palestinian peace. Calling it "two states, one system," he said it would entail fairly quick recognition of a Palestinian state but would leave many of the outstanding problems to mutually agreed and largely non-government means for resolution. As Israeli and Palestinian areas would soon become effectively indistinguishable given population growth

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rates and the expansion of urban areas, perhaps the people themselves through government-blessed institutions and business could be left to resolve problems of water, boundaries, labor, residences, etc. He allowed, however, that "some fixed borders would probably have to be settled in advance." When asked about security, he confessed, "We Arabs probably still don't grasp how critical this is to the Israelis." The minister said he understood that his idea was "unorthodox" but he had intended for it to stimulate new thinking about the problem.

Iraq: No Alternative to SOFA

18. (C) The minister offered his congratulations on the Iraqi Council of Minister's recent approval of the SOFA. "They have no choice," exclaimed bin Alawi, arguing that Iraqi security forces are not yet ready to assume responsibility for security in Iraq. The U.S. must remain in Iraq to maintain the improved but fragile security in the country and ensure a smooth hand-over of the security function to the Iraqis. He opined that Iraq's Council of Ministers would act "sensibly" and also approve the SOFA quickly.

Comment

19. (C) Oman's leadership, history, and geo-political positioning have predisposed the Sultanate to look beyond the Gulf region. Judging from bin Alawi's comments, the Omanis are genuinely concerned about the situation in Pakistan and the potential for instability there to boil over into India, Afghanistan and elsewhere in the region. The ideas of closer cooperation with the U.S. and a regional conference appear intended not only to focus the GCC's attention and efforts on its potential role in matters outside the immediate region of the Gulf, but also to ensure close cooperation and coordination with the region's largest non-regional player and partner, the U.S. We cannot dismiss the added possibility, however, that the Omanis are looking for some mechanism to integrate Iran in the region's political apparatus. Post will remain in close touch with the minister and his staff to monitor progress on the Omani security paper for the GCC Summit. End Comment.